

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
V.)	CAUSE NO. 1:25-cr-00007-JMS-TAB
)	
REINA ISOM,)	
)	
)	
Defendant.)	

SENTENCING MEMORANDUM OF THE UNITED STATES

The United States of America, by counsel, respectfully submits the following for the Court’s consideration in the sentencing of the Defendant, Reina Isom. Based on the information and arguments set forth below, a sentence of 36 months is the appropriate sentence in this case.

I. Introduction

Reina Isom is a fraudster. She enrolled “students” into various colleges and then completed fraudulent forms to get thousands of dollars in federal financial aid. These people were not students in any meaningful way. They never attended class and did not submit homework. It was all an elaborate scheme—perpetrated through hundreds of lies over several years—to defraud the government. And her scheme worked. Isom caused more than \$930,000 in federal financial aid to be fraudulently dispersed and more than \$340,000 were deposited into accounts Isom or her co-conspirators controlled.

This isn’t Isom’s first fraud. In fact, she has already been convicted before for this exact same conduct. Her prior conviction for a federal financial aid fraud scheme did nothing to deter her. Instead, it seems to have emboldened her—the scheme in this case was even bigger than the

prior one. Her repeated conduct shows a blatant disregard for the law and the need for the sentence to afford meaningful deterrence.

A sentence of 36 months is necessary to deter Isom in the future, promote respect for the law, reflect the seriousness of the offense, and protect the public.

II. 3553(a) Factors

a. A sentence of 36 months is necessary to reflect the seriousness of the offense and provide just punishment for the offense.

Over the course of several years, Isom perpetrated a fraud scheme that was massive in scope and involved nearly a million dollars. She lied dozens of times to both the Department of Education and the various online universities in which she fraudulently enrolled students. This conduct is extremely serious.

In essence, Isom would get accomplices' personal identifying information and enroll them in a low-cost, online college. Isom would then submit Free Application for Federal Student Aid ("FAFSA") forms online to apply for loans and grants for that "student." In completing and submitting these forms, Isom lied. For example, the FAFSA asks dozens of questions about the student's income, their spouse's income, and parents' income. Isom did not even attempt to answer these questions accurately; rather, she left these fields blank or put zeros:

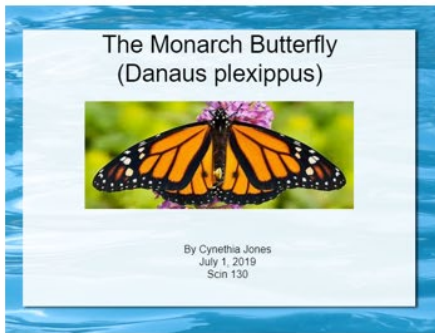
Step 2: Student Income (Ques. 32-44)		
32. Student 2019 tax filing status		Will Not File
33. Student 2019 tax form used		
34. Student 2019 tax form filing status		
35. Student Filed a Schedule 1?		
36. Adjusted Gross Income		
37. U.S. Income tax paid		
38. Student's income from work	0	
39. Spouse's income from work		
40. Cash, savings, and checking		
41. Current net worth of investments		
42. Current net worth of business/farm		
43a. Education credits		
43b. Child support paid	0	
43c. Taxable earnings from need-based	0	
43d. Grant / Scholarship aid		
43e. Combat pay or special combat pay		
43f. Earnings from COOP from a college	0000000	
44a. Tax-deferred pension payments	0	
44b. IRA deductions and payments		
44c. Child support received	0	
44d. Tax exempt interest income		
44e. Untaxed portions of IRA and Pensions		
44f. Allowances for military and clergy	0	
44g. Veteran non-education benefits	0	
44h. Untaxed income not reported	0	
44i. Money received or paid for you	0	

If the application was prepared by someone other than the student, preparers are supposed to identify themselves in fields at the end of the application. Isom also left those fields blank in an attempt to hide her involvement in the scheme. And of course, the FAFSAs Isom completed stated that the “student” was enrolled in a college when in reality, the student was never a student in any meaningful sense. These accomplices were not “students;” they were co-conspirators. They did not attend class. They did not complete homework. Their sole function was to provide personal identifying information so they could be enrolled and receive government funds.

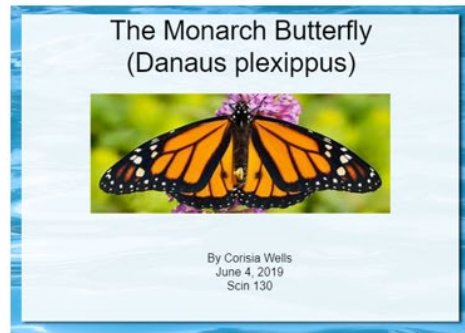
Based on these forms, the government would then approve the financial aid, sending money to the school for tuition and fees. Any funds that were awarded in excess of those costs were eventually sent to the student for their college expenses. That's where Isom made her money. She would ensure that there were excess funds and that these funds went into accounts she controlled. Isom would then keep some of the money and give some to her accomplices.

To ensure she got as much money as possible, Isom did far more than submit fraudulent forms. She also ensured that these students *stayed* enrolled by completing coursework. The submission of coursework allows for the purported students to remain enrolled for multiple terms, resulting in the award and disbursement of additional Federal Student Aid.

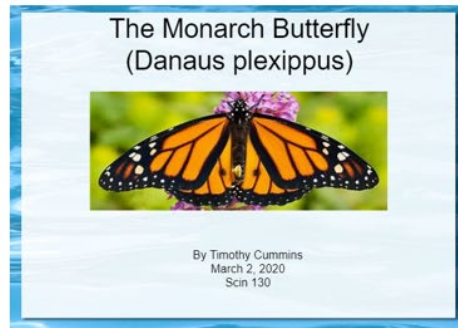
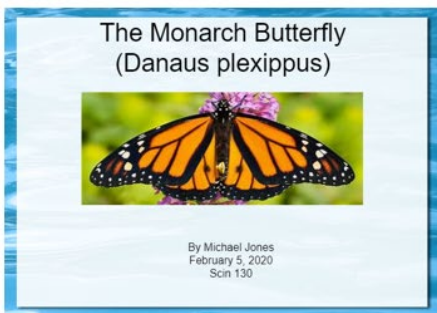
To pull this off, Isom submitted assignments that had been copied and pasted from other purported students who had taken the courses in previous terms. Most of the time, this meant merely submitting the same assignment repeatedly, only changing the name of the student. For example, investigators found four identical PowerPoint assignments on Isom's computer in which the only difference was the name of the submitting student:



"jones_SCIN130.ppt"



"C wells_SCIN130_Copy.ppt"



"Monarch butterfly.ppt" "TimothyCummins_SCIN130_Pres1.ppt"

Other times, Isom would submit nearly identical assignments with only minor changes. As an example, for an accounting class, Isom submitted assignments for herself and the purported student "R.D." These submissions were identical except for the correction of two typing errors. Isom's assignment was submitted on March 7, 2022, at 1:35pm, and R.D.'s assignment was submitted seven minutes later at 1:42 pm:

W1: Accounting and its Uses

Mar 7, 2022 1:35 PM 501 words

Generally Accepted Accounting Principles (GAAP) refer to a combination of authoritative standards and a common set of accounting principles, standards and procedures that most companies use to compile their financial statements. "...is a summary of best practice in terms of the form and content of financial statements..." (Walker, 17). Companies are expected to use GAAP when reporting their financial data via financial statements.

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by the International Accounting Standards Board (IASB) that is becoming the global standard for the preparation of public company financial statements. The point of IFRS is to maintain stability and transparency throughout the financial world. IFRS is standard in many parts of the world, including the European Union and many countries in Asia and South America, but not in the United States. Differences exist between IFRS and GAAP that affect the way a financial ratio is calculated. For example, IFRS are not as strict on defining revenue and allow companies to report revenue sooner, so consequently, a balance sheet under this system might show a higher stream of revenue. IFRS also have different requirements for expenses. For example, if a company is spending money on development or an investment for the future, it doesn't necessarily have to be reported as an expense.

Another difference between IFRS and GAAP is the specification of the way inventory is accounted for. There are two ways to keep track of this, first in first out (FIFO) and last in first out (LIFO). FIFO means that the most recent inventory is left unsold until older inventory is sold. LIFO means that the most recent inventory is the first to be sold. IFRS prohibit LIFO, while GAAP allow participants to freely use either.

IFRS originated in the European Union, with the intention of making business affairs and accounts accessible across the continent. In response to the Great Depression of 1929, the federal government, along with professional accounting groups, set out to create standards for the ethical and accurate reporting of financial information. Authority to set standards on accounting practices was granted to the Securities and Exchange Commission (SEC). The SEC eventually delegated this responsibility to Accounting Principles Board (APB), and in turn developed

ISOM's ACCT 105 W1 Submission

week 1

Mar 7, 2022 1:42 PM 503 words

Generally Accepted Accounting Principles (GAAP) refer to a combination of authoritative standards and a common set of accounting principles, standards and procedures that most companies use to compile their financial statements. "...is a summary of best practice in terms of the form and content of financial statements..." (Walker, 17). Companies are expected to use GAAP when reporting their financial data via financial statements.

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by the International Accounting Standards Board (IASB) that is becoming the global standard for the preparation of public company financial statements. The point of IFRS is to maintain stability and transparency throughout the financial world. IFRS is standard in many parts of the world, including the European Union and many countries in Asia and South America, but not in the United States. Differences exist between IFRS and GAAP that affect the way a financial ratio is calculated. For example, IFRS are not as strict on defining revenue and allow companies to report revenue sooner, so consequently, a balance sheet under this system might show a higher stream of revenue. IFRS also have different requirements for expenses. For example, if a company is spending money on development or an investment for the future, it doesn't necessarily have to be reported as an expense.

Another difference between IFRS and GAAP is the specification of the way inventory is accounted for. There are two ways to keep track of this, first in first out (FIFO) and last in first out (LIFO). FIFO means that the most recent inventory is left unsold until older inventory is sold. LIFO means that the most recent inventory is the first to be sold. IFRS prohibit LIFO, while GAAP allow participants to freely use either. IFRS originated in the European Union, with the intention of making business affairs and accounts accessible across the continent. In response to the Great Depression of 1929, the federal government, along with professional accounting groups, set out to create standards for the ethical and accurate reporting of financial information. Authority to set standards on accounting practices was granted to the Securities and Exchange Commission (SEC). The SEC eventually delegated this responsibility to Accounting Principles Board (APB), and in turn developed the Financial Accounting Standards Board

R.D.'s ACCT 105 W1 Submission

Similarly, Isom's and R.D.'s Week 3 submissions for the accounting class were copied and pasted, with both assignments submitted within two minutes of each other on the same date, as illustrated below:

W3: Accrual & Cash Basis
 Mar 11, 2022 12:22 PM 368 words

First lets talk about Cash Basis Accounting, in this method the revenue is describe in the income statement only when cash is received. Expenses are only recorded when cash is paid out. The cash method is most of the time used by small businesses and for personal use only.

While in Accrual Accounting Method the Revenue is accounted for when it is earned. Basically, revenue is recorded before any money changes hands. Not like cash method, the accrual method records revenue when a product is served to a customer with the expectation that money will be paid. Expenses of goods and services are recorded even without a cash being paid yet for those expenses.

The difference between accrual and cash basis accounting depends in the timing of when revenue and expenses are acknowledge. The cash method is a more immediate recognition of revenue and expenses, while the accrual method focuses on anticipated revenue and expenses.

Cash basis accounting is not difficult, but accrual accounting portrays a more precise picture of a company's health by adding accounts payable

ISOM's ACCT 105 W3 Submission

W3: Accrual & Cash Basis
 Mar 11, 2022 12:24 PM 368 words

First lets talk about Cash Basis Accounting, in this method the revenue is describe in the income statement only when cash is received. Expenses are only recorded when cash is paid out. The cash method is most of the time used by small businesses and for personal use only.

While in Accrual Accounting Method the Revenue is accounted for when it is earned. Basically, revenue is recorded before any money changes hands. Not like cash method, the accrual method records revenue when a product is served to a customer with the expectation that money will be paid. Expenses of goods and services are recorded even without a cash being paid yet for those expenses.

The difference between accrual and cash basis accounting depends in the timing of when revenue and expenses are acknowledge. The cash method is a more immediate recognition of revenue and expenses, while the accrual method focuses on anticipated revenue and expenses.

Cash basis accounting is not difficult, but accrual accounting portrays a more precise picture of a company's health by adding accounts payable

R.D's ACCT 105 W3 Submission

Some assignments, however, called for students to include biographical information in their submissions. In these cases, Isom kept the substance of her prior submissions, but would make minor revisions to evade detection, as illustrated below:

Week 1

I'm [REDACTED]. I'm 41, currently engaged, and a single parent of a 17 year old high school senior. My son is my pride and joy but I can't wait till he becomes more independent. I've been in the Army for over 21 years and we are currently stationed in Stuttgart, Germany. Serving in the military as a single parent has been difficult and my son has done a lot of relocating between his mother and I. So I'm glad my ex allowed me to bring him here with me. My son has been here for almost a year and a half. Once we

M.J.'s Winter 2020 BIOL 180 W1 Submission

Week 1

I'm [REDACTED]. I'm currently engaged, and a single parent of a 6 year old . My son is my pride and joy but I can't wait till he becomes more independent. I've been in the Army for over 21 years and we are currently stationed in Stuttgart, Germany. Serving in the military as a single parent has been difficult and my son has done a lot of relocating between his mother and I. So I'm glad my ex allowed me to bring him here with me. My son has been here for almost a year and a half. Once we

D.T.'s Summer 2019 BIOL 180 W1 Submission

But even with these revisions, the submissions still contained inconsistent information, such as the students' place of residence, careers, or other details. In the example listed above, "D.T."

claimed to have “been in the Army for over 21 years.” The only trouble was that D.T.’s enrolment forms indicated that he was 23 years old.

Other assignments required video-recorded speeches to be submitted as part of the coursework. During the term, several video-recorded speeches were submitted on behalf of D.T. But D.T.—since he was not actually a student—did not record any of these submissions. Rather, Isom enlisted the help of her husband, Quincy Darnell Pegues, to make the recordings. The following screenshots were obtained from two such submissions:



D.T. DL Photo



D.T. W5 Video Clip



D.T. W8 Video Clip



Pegues DL Photo

Isom perpetrated this scheme on a grand scale. She repeated the scheme above for more than a dozen students over more than a decade. To do this, she cast a wide net to find anyone willing to make easy money. When law enforcement searched her residence and phone, they found more confirmation of the scale of this scheme. The first two images below were taken during the search of her residence; the next are conversations found on her phone.



From: +17657803947 (owner)
To: +17652838611 Nene

So I got you a scholarship for 562.. it's on there, can I get 100 off dat? And your loans got accepted today so that will be on there in a few days, I'll get 1000 off that., plus I boys be there like Wednesday.. you boutta be hoodrich

Participant	Delivered	Read	Played
+17652838611 Nene	9/20/2021 6:57:00 PM(UTC+0)	9/20/2021 6:57:25 PM(UTC+0)	

From: +17657603947 (owner) To: +17652838811 Nene			
Claasss start today too! We will be rich in a couple weeks			
Participant	Delivered	Read	Played
+17652838811 Nene	8/28/2023 6:14:37 PM(UTC+0)	8/28/2023 6:14:42 PM(UTC+0)	

From: +17657603947 (owner) To: +17652285970 Acacia			
Got 2 ready to go starting November,, since we gonna be splitting, you keep one and I'll keep one, cool? Imma try the others in a week or do, ion like puttin too many through at once or they start flagging			
Participant	Delivered	Read	Played
+17652285970 Acacia	9/29/2021 10:18:56 PM(UTC+0)		

In sum, Isom went to great lengths to defraud the Department of Education out of nearly \$1 million. She did this through consistent, repeated lies. Over and over and over, she lied on more than 50 federal financial aid forms. She then lied in coursework in numerous classes. Only when she was confronted with the evidence against her did she tell the truth.

In addition to the breathtaking scope of Isom's conduct, including her numerous lies over several years, the conduct here is especially serious because of the nature of the scheme. Isom defrauded the federal financial aid program, which serves a vital purpose in making college a reality for people who otherwise might not be able to afford it. Isom's actions undermine the integrity of this program.

Moreover, Isom's scheme involved both student loan and Pell Grant funds. While student loans must be paid back, Pell Grants aren't. Instead, these grants are "awarded only to

undergraduate students who display exceptional financial need.”¹ These are grants meant to help the most underprivileged students get the funds they need to go to college—to get an education and earn an honest living. And the funds are not unlimited. Just this year, the Congressional Budget Office projected that the Pell Grant program would accumulate a shortfall, which means Congress will either need to increase its funding or reduce the costs, including possibly decreasing student eligibility.² Isom’s actions exploited this program. Without this program, it is possible that another person—perhaps a first-generation college student or someone from an impoverished background—couldn’t go to college.

A sentence of 36 months would reflect the seriousness of this offense, provide just punishment, and promote respect for the law.

b. A sentence of 36 months would afford adequate deterrence, promote respect for the law, and protect the public.

This was not the first time Isom committed fraud. On two prior occasions, she has been convicted of fraud. Yet, these convictions did nothing to deter her or promote in her a respect for the law.

Isom’s first conviction stems from conduct in December 2004, when Isom was living in an apartment she had insured in case of fire. PSR ¶ 46. Isom paid Vanessa Allen \$3,000 to start a fire in Isom’s apartment. Allen did exactly that, starting a fire in Isom’s apartment near the Christmas tree. When questioned about the fire, Isom initially denied any involvement. She was eventually caught, however, and she was convicted of Arson with Intent to Defraud, a felony. In July 2011, she was sentenced to two years but served 116 days.

¹ See Federal Student Aid, *Federal Pell Grants*, available at <https://studentaid.gov/understand-aid/types/grants/pell>.

² See Pell Grant Program: Major Congressional Proposals (Feb. 28, 2025), available at <https://www.congress.gov/crs-product/R48442>.

Isom's second fraud conviction is even more incredible because it is for the exact same conduct for which she is being sentenced in this case. On February 22, 2011, Isom was working at McDonald's, and someone found her purse. PSR ¶ 47. The purse had several credit cards and debit cards that did not belong to Isom along with tax documents and someone else's identification card. Isom eventually admitted to perpetrating two different fraud schemes.

First, Isom admitted she tried to enroll others in the University of Phoenix, and she completed FAFSA forms for them. Some of these individuals were approved for federal aid, and they never attended school. Second, she would apply for credit cards using other people's identity. In her applications, she would provide her home address so the cards would get shipped to her. She would then have money from her sales of items on Ebay credited to the cards and she would use the cards for personal expenses. She was convicted of Fraud and sentenced to 18 months, with 6 months imposed on house arrest and the rest suspended to probation.

Isom's conduct in the instant case, coupled with these prior convictions, demonstrates a complete disregard for the law. Since at least 2011, Isom has been trying to make easy money through fraud. The conduct in the instant offense was nothing new. Yet none of these prior convictions deterred her from continuing to commit fraud. In fact, Isom only got bolder—this scheme was more sophisticated and conducted on a wider scale. She continued to harm the public through fraud despite past sentences. It is time to put an end to this conduct.

A sentence of 36 months would provide adequate deterrence, promote respect for the law, and protect the public.

c. Isom should be ordered to pay \$348,148 in restitution.

Isom submitted FAFSA applications for more than a dozen different individuals. As a result of these submissions, more than \$930,000 in federal financial aid was fraudulently

dispersed. Most of these funds went to the schools in which these “students” were enrolled.

These school provided services in good faith to these “students.” The schools should be entitled to keep the funds they received.

But, under federal law, once the school receives enough federal funds to cover tuition and expenses, the rest is given to the student. Here, that amount is \$348,148. In other words, through Isom’s scheme, \$348,148 in federal financial aid funds were deposited into bank accounts or loaded onto debit cards that were controlled by Isom or her coconspirators. Isom should be ordered to pay back the Department of Education these funds that she was not entitled to in the first place.

CONCLUSION

The United States respectfully submits that Reina Isom should receive a sentence of 36 months in prison for her offense and be ordered to pay \$348,148 in restitution.

Respectfully submitted,

JOHN E. CHILDRESS
Acting United States Attorney

By: s/ Adam Eakman
Adam Eakman
Meredith Wood
Assistant United States Attorneys
United States Attorney’s Office
10 West Market Street, Suite 2100
Indianapolis, IN 46204-3048
Telephone: 317-226-6333
Email: adam.eakman@usdoj.gov
Email: meredith.wood@usdoj.gov

CERTIFICATE OF SERVICE

I hereby certify that on July 8, 2025, a copy of the foregoing Sentencing Memorandum was filed electronically. Notice and service of this filing will be made on all ECF-registered counsel by operation of the court's electronic filing system. Parties may access this filing through the Court's system.

By: s/ Adam Eakman
Adam Eakman
Assistant United States Attorney
United States Attorney's Office
10 West Market Street, Suite 2100
Indianapolis, IN 46204-3048
Telephone: 317-226-6333
Email: adam.eakman@usdoj.gov